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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/559,320	04/27/2000	Daniel J. McCabe	10449-003	1932

20582 7590 06/17/2002

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EXAMINER	
FELTEN, DANIEL S	
ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 06/17/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

SK

Office Action Summary

Application No.	Applicant(s)
09/559,320	McCable et al
Examiner	**Art Unit**
Daniel Felten	3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on *Apr 27, 2000* .

2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) *1-15* is/are pending in the application.

4a) Of the above, claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) *1-15* is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) ☐ All b) ☐ Some* c) ☐ None of:

1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____ .
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

*See the attached detailed Office action for a list of the certified copies not received.

14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

a) ☐ The translation of the foreign language provisional application has been received.

15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 3
4) ☐ Interview Summary (PTO-413) Paper No(s). _____
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other:

DETAILED ACTION

Specification

1. The disclosure is objected to because of the following informalities:

Re page 1, line 13: Delete "AMEX (American Stock Exchange)" and insert, -- American Stock Exchange (AMEX)--

Re page 1, line 26: Delete "USP" and insert --United States Patent--

Re page 1, line 29: Delete "NASDAQ" and insert --National Association of Security Dealers Automated Quotations System (NASDAQ)--

Re page 2, line 19: Delete "S&P 500" and insert --Standard & Poor's 500 (S&P 500)--.

Appropriate correction is required.

Claim Objections

2. Claims 5-7 are objected to because of the following informalities:

Re claim 5, line 2: Delete "AMEX" and insert --American Stock Exchange (AMEX)-

Re claim 6, line 2: Delete "NASDAQ" and insert --National Association of Security Dealers Automated Quotations System (NASDAQ)--

Re claim 7, line 2: Delete "S&P 500" and insert --Standard & Poor's 500 (S&P 500)--. Appropriate correction is required.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 2-9 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is not clear from the claims form the citation of, "the financial" instrument' if the applicant means the first financial instrument or the second financial instrument.

5. Claims 2-9 recite the limitation "The financial instrument" in each claim. There is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7. Claims are rejected under 35 U.S.C. 103(a) as being unpatentable over Stallaert et al (hereinafter "Stallaert" US 6,035,287)

Claims 1, 10 and 15:

Stallaert discloses an apparatus and method for bundled asset trading wherein a first portfolio (*or a bundle*) comprises units having an integer number M different securities (*assets*) selected from a second portfolio, the second portfolio comprising units of an integer number N different securities (*see at least fig. 1, assets 1-4*) , N > M (*see at least, bundle size; and In re Rose, 105 USPQ 237, 240; 220 f2d 459 (CCPA 1955)*) wherein the weight of each security in the first portfolio is substantially similar to that security's corresponding weight in the second portfolio (*see matching*), and wherein the first financial instrument, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market (see Stallaert, figs. 1, col. 2, ll. 40-45 & 52-58; col. 3, ll. 1-14).

Stallaert fails to disclose wherein the weight within the first and second security are divided by the combined weight of the first portfolio within the second portfolio. However, the ratio is based upon a notoriously old and well known mathematic technique of a weighted arithmetic mean. It would have been obvious for an artisan of ordinary skill in the business art to rely on descriptive statical analysis to perform on assets because an artisan at the time of the invention would want to use various mathematical tools to understand how to optimize profits. Thus to employ the aforementioned method would provide what someone of ordinary skill in the

art would expect; that being a gauge from which to relay the status of an asset within the bundle or within a set of bundles. Therefore the use of the notoriously old and well known mathematical weighted mean would have been obvious to someone of ordinary skill in the art.

Regarding Claims 2-4:

Stallaert discloses a method and apparatus for bundled asset trading among market participants. The assets/securities may be traded in different markets (i.e. options, futures, etc.,) whereby the exchange of different assets/securities within a bundle are matched or recombined with different market participants within a market (see col. 2, ll. 37+). It would have been obvious for an artisan of ordinary skill in the art at the time of the invention of Stallaert to perform trades of different securities within the same/first securities market because an artisan of ordinary skill would recognize that only matched securities would be available to be traded within a respective market from different participating bundles. Thus the employment of asset matching would address the problem of market fragmentation inasmuch as such a modification would prevent overall loss with respect to the notoriously old and well known asset bundles due to volatility in the market (see col. 2, ll. 21+). Thus such a modification would constitute an obvious expedient well within the ordinary skill in the art.

Regarding Claims 5-7:

Stallaert does not teach the specifics of trading a financial instrument on the AMEX, NASDAQ, or the S&P 500 for either the first or the second financial instrument.

The AMEX, NASDAQ, and the S&P 500 are notoriously old and well known markets by which investors use to trade a variety of different securities. Since Stallaert teaches the use of his invention within a market and/or acquiring various asset from different markets (see col. 2, ll. 25+) , it would have been obvious for an artisan of ordinary skill in the art to employ the AMEX, NASDAQ and/or the S&P 500 market(s)to conduct trades because an artisan of ordinary skill at the time of the invention would recognize the aforementioned markets as highly respected and widely used throughout the world to conduct asset/security exchange. Thus to use the aforementioned markets within the Stallaert invention would provide a greater use of the invention by adapting to conventional market to it. Thus such a modification would constitute an obvious expedient to one of ordinary skill in the art.

Regarding Claims 8 and 9:

Stallaert fails to explicitly disclose that the first portfolio has lowest average trading volumes among the different securities during a previous time period and the first portfolio has the highest price fluctuations among the different securities during a previous time period. Trading volumes and price fluctuations are notoriously old and well known in the art as a "barometer" of

how well a particular asset is performing within a market at a given period of time. Such features are useful to gauge the volatility of an asset. Stallaert discloses different assets within each of the bundles being traded (or retained) based upon the criteria of the weighted contribution of a particular asset makes to the objective function (see col. 7, ll. 20+). This feature is used within the invention for the purpose of holding or trading an asset. It would have been obvious for an artisan to choose various criteria (such as the lowest trading volume or the highest fluctuation) within the market to provide the status of a particular asset within the bundle, because an artisan would recognize how such criteria could be used to weight the contribution of the individual asset to the bundle as a whole. Thus to employ such information within the invention of Stallaert would be a matter of design choice as well as an obvious expedient to an artisan of ordinary skill in the art.

Claim 11-14:

(please see explanation of claim 2-4)

Conclusion

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to ***Daniel S. Felten*** whose telephone number is (703) 305-0724. The examiner can normally be reached between the hours of 7:00AM to 5:30PM Monday-Thursday. Any inquiry of a general nature relating to the status of this application or its proceedings should be directed to the Customer Service Office (703) 306-5631, or the examiner's supervisor ***Vincent Millin*** whose telephone number is (703) 308-1065.

9. Response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington, D.C. 20231

for formal communications intended for entry, or (703) 305-0040, for informal or draft communications, please label "Proposed" or "Draft".

Communications via Internet e-mail regarding this application, other than those under 35 U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be addressed to *[daniel.felten@uspto.gov]*.

All Internet e-mail communications will be made of record in the application file. PTO employees do not engage in Internet communications where there exists a possibility that sensitive information could be identified or exchanged unless the record includes a properly signed express waiver of the confidentiality requirements of 35 U.S.C. 122. This is more clearly

set forth in the Interim Internet Usage Policy published in the Official Gazette of the Patent and Trademark on February 25, 1997 at 1 195 OG 89.

DSF
June 6, 2002

VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
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